

Good morning. I want to thank S&P Global Platts for hosting us once again this year for what has become a perennial LNG industry conference in Houston. I'm Patrick Hughes, Vice President of Corporate Strategy at NextDecade Corporation.

We're delighted to be here and look forward to sharing our views on the global macro environment, some observations on the U.S. picture more specifically, and then details of our company, the drivers behind our commercial momentum, and the differentiated opportunities that producers and global LNG customers have to work with us at NextDecade.

During my remarks, I'll refer to a few slides we have prepared for you. These slides can be found in our new corporate presentation which is available on our website (www.next-decade.com). I'd like to draw your attention to the disclaimer and cautionary statements on the first page of the presentation.

Texas has abundant natural gas resources. However, as oil production in the Permian Basin continues to grow, given the gas-to-oil ratios of Permian wells, finding homes for all of this gas is going to become more and more challenging. During the next 30 minutes, I'll tell you about how NextDecade is providing a solution to link Permian associated gas to the global LNG market.

NextDecade is a liquefied natural gas (LNG) development company focused on LNG export projects and associated pipelines in Texas.

We are headquartered in Houston. Our LNG projects are located on the Texas Gulf Coast:

1. Our Rio Grande LNG project in Brownsville, Texas; and
2. Our Galveston Bay LNG project in Texas City, Texas near Galveston Island.

I'll spend a brief moment talking about our strategy before we proceed to a discussion of the global and U.S. macro picture.

Our strategy is to develop the largest LNG export solution linking Permian Basin associated gas to the global LNG market, creating value for producers, customers, and our stockholders.

By virtue of our projects' locations on the mid-to-lower Texas Gulf Coast (Houston Ship Channel and south), we have access to abundant, low-cost natural gas resources in the Permian Basin. Producers value the links we provide to the global LNG market, and we enable a large-scale solution for their gas while also helping to eliminate unnecessary flaring in Texas.

From a global LNG customer perspective, we provide access to long-term, reliable, clean-burning U.S. LNG supply. We are competitive with other U.S. and international projects. And

perhaps most significantly, we offer LNG on multiple indexes. We are currently the only U.S. project offering LNG indexed to Brent.

Global market fundamentals are supportive of what we are doing.

We expect the global LNG market to require 150 mtpa of new LNG capacity by 2025 to meet growing LNG demand and to avoid a supply shortfall. This equates to more than 20 Bcf/d.

We believe as much as two-thirds – or upwards of 100 mtpa – of the new LNG production will come from projects in North America ... and that most of this will come from U.S. Gulf Coast projects including our Rio Grande LNG project.

Importantly, our global demand estimates remain in-line with our projections from a year ago, just as we have seen various pundits and other market observers sharpen their pencils and come more in-line with our global demand estimates.

Our supply shortfall projections account for all operating and under construction LNG facilities, including projects that reached final investment decisions in 2018, as well as the FID announced last week for Golden Pass, the Texas project backed by Qatar Petroleum and ExxonMobil.

Actual year-over-year demand growth in 2018 was 8.6%. We continue to expect global demand will reach 526 mtpa by 2025 or a compounding annual growth rate of approximately 7.5 % between 2018 and 2025.

In the same period, the U.S. Energy Information Administration (EIA) projects net gas production in the U.S. will grow by as much as 19 Bcf/d to levels exceeding 100 Bcf/d. Expected net production growth, which is largely driven by the Permian Basin, would be equivalent to about 133 mtpa of LNG.

This natural gas production growth provides ample supply to enable the U.S. to export incremental LNG into the global market. Global LNG pricing favors U.S. LNG. In fact, we think the U.S. will be the world's largest supplier of LNG by 2025.

In many ways, the story of the energy transformation now underway in the United States is still being written. Technologies pioneered by the oil and gas industry are enabling us to unlock new sources of energy – safely, securely, and in an environmentally responsible way.

In terms of natural gas, specifically, we have witnessed a tremendous evolution from being short supply just 15 years ago (and building regasification terminals to import gas from global markets), to now having an abundant supply of low-cost, clean-burning natural gas that will enable prosperity for future generations – here in the U.S. and for our allies around the world.

The location of NextDecade's LNG projects is extremely important. NextDecade is positioned to be the largest solution for Permian producers who need massive baseload markets to assure associated natural gas flows. The Permian Basin holds the deepest inventory of economic natural gas resource in the United States. The economics in the Basin are driven by the production of oil, not by gas. Due to flaring restrictions, producers must market their natural gas in order to sustain oil production programs.

To be more specific, recent estimates from RS Energy Group, a well-regarded industry consultant, show that the Permian Basin holds more than 230 billion barrels of oil equivalent and within this estimate exists more than 600 Tcf of remaining natural gas resource. 90 percent of this natural gas resource (over 500 Tcf) has break-evens below \$0.

At the risk of stating the obvious, this massive resource will be producing significant quantities of low-cost natural gas for decades.

So, if Permian producers have to market their gas to sustain oil production programs, where is all of this Permian associated gas going to go?

Generally, demand centers in the mid-to-lower Texas Gulf Coast offer the lowest cost well-to-water connectivity.

Today, Permian producers are focused on getting their associated gas to the mid-to-lower Texas Gulf Coast at Agua Dulce and Katy Hubs and NextDecade's two LNG projects will be connected to these hubs.

Conversely, proposed LNG projects in upper Texas and the Louisiana Gulf Coast face higher transportation costs from the Permian Basin. For this reason, these projects will very likely source the majority of their natural gas supplies from points East.

The higher costs from Waha to upper Texas and Louisiana markets, which are estimated to be approximately \$1.00 to \$1.50 per MMBtu (or 2 to 3 times more expensive than the costs of transporting gas from Waha to Agua Dulce or Katy), are driven by the longer distance from Waha, and by having to build pipelines through highly populated areas across the Interstate 45 and Interstate 10 corridors.

This leads to federal requirements mandating the operation of such pipelines at lower pressure or using thicker walled pipe during construction. These requirements have negative impacts on pipeline economics and ultimately increase the per unit cost of service.

Thus, Permian producers remain focused on reaching Agua Dulce and Katy areas to secure higher netbacks for their gas.

Nonetheless, Permian producers face challenges when it comes to managing their gas. As Permian oil production continues to grow, given the average gas-to-oil ratios of Permian wells, the requirement to market associated gas is going to become more and more challenging.

Due to flaring restrictions in Texas and New Mexico, it is highly possible that Permian oil production will be limited without the creation of enormous incremental natural gas demand on the Texas Gulf Coast to absorb these significant gas volumes.

Incremental demand centers in the mid-to-lower Texas Gulf Coast are not an option for Permian natural gas producers – they are a necessity. This is especially true of demand centers created by LNG projects in this region, which can absorb large quantities of gas associated with oil production. However, even if all of the LNG projects (including all nine of our liquefaction trains at Rio Grande and Galveston Bay), all of the petrochemical projects, and all of the Mexico export projects are developed in the mid-to-lower Texas Gulf Coast, there will still be an oversupply of gas in Texas.

Using supply and demand growth projections from Bernstein and other research firms, we assume Permian Basin gas production grows at a compound annual rate of 25 percent from 2017 to 2025. We then adjust to a far more moderate 3 percent CAGR for the 2026 to 2030 period.

The conclusion is that only 70 percent of the expected incremental gas supply by 2030 (approximately 18 out of the 25 Bcf/d) can be absorbed by planned large-scale energy infrastructure projects, including LNG, on the mid-to-lower Texas Gulf Coast, and that assumes all of it is built!

The Waha basis – or discount to prevailing Henry Hub prices – is also suggesting the problem is not going away any time soon. In fact, very recently gas at Waha has been sold on the day at negative prices.

I'll tell you very briefly about how we are helping link Permian producers to the global LNG market, and how we are facilitating access to abundant, low-cost, clean-burning U.S. gas for our LNG customers around the world.

We are building two large-scale facilities on the Texas Gulf Coast. Our Rio Grande LNG project is a 6-train facility planned for an approximately 1,000-acre site in the Port of Brownsville. The Port is a deepwater channel with minimal vessel traffic today, and our site is optimally located just a few miles from the Gulf of Mexico. The availability of skilled labor, as well as the site and soil conditions in South Texas, are ideal for large-scale LNG development.

Our selected liquefaction technology, Air Products C3MR™, is among the largest and most efficient liquefaction technologies in the world. C3MR™ is found in about 80 percent of LNG

projects around the world. Our customers value the reliability of the technology, and our shareholders appreciate the debottlenecking and higher throughput potential of C3MR™ trains.

Our Rio Bravo Pipeline is a twin 42-inch system that will originate in the Agua Dulce area and transport gas supply directly into our facility in Brownsville. We held an open season on the pipeline a few years ago and control 100 percent of the capacity. It has the ability to support our full 6-train development.

Here is how we are different than other U.S. LNG project developers.

NextDecade offers multiple LNG pricing options, including Brent indexation. This allows NextDecade to maximize its total addressable market. No other U.S. LNG project is currently offering Brent-indexed LNG. About 80 percent of the world's LNG contracts are indexed to oil – it's a structure with which most of our global LNG customers are extremely familiar and comfortable.

Our Brent indexation offering is competitive with offers from international (non-U.S.) LNG projects. Importantly, our Brent-indexed LNG comes with full destination flexibility and without revenue sharing provisions, something many international projects have been reluctant to offer their customers.

Our Henry Hub indexation offering is also competitive with other U.S. LNG projects, and our alternative U.S. index options, including Agua Dulce and Waha, remain challenging to replicate for upper Texas and Louisiana Gulf Coast projects being developed by our U.S. competitors.

Based on expressed interest from LNG customers, we expect Brent-indexed LNG volumes to comprise a material portion of the first phase of our Rio Grande LNG project.

You might be asking, why are you focused on selling a Brent indexed LNG product out of the U.S.? Well, the vast majority of the world's LNG contracts are indexed to oil, so Brent-indexed LNG continues to drive the market.

Current fundamentals in the market confirm strong interest in Brent indexation:

- Forward Europe and Asia delivered prices are trading at parity, net of the shipping differential from the U.S.
- The current forward ratio of Brent to European prices (TTF & NBP) equals about 11-12 percent, and the current forward ratio of Brent to Asian prices (JKM) equals about 12-13 percent.

This fundamental market backdrop confirms what we are hearing from our customers: strong interest in Brent indexed LNG contracts and strong interest in NextDecade's Brent indexed offers.

We launched a competitive bid process last summer with three engineering, procurement, and construction (EPC) contractors to assure commercialization of our Rio Grande LNG project on-time and on-budget. The companies bidding on our project include three of the global LNG industry's leading EPC contractors: Bechtel, Fluor, and McDermott.

As part of the competitive process, each bidder has provided endorsement certificates on our front-end engineering and design (FEED). The FEED endorsement was achieved on-schedule in December 2018 and gives us continued confidence in our remaining EPC schedule, which will see firm bids on April 22, 2019 and a fully executed lump-sum turnkey contract finalized no later than early third quarter 2019.

We are in the final stages of the rigorous federal permitting process led by the Federal Energy Regulatory Commission (FERC).

We received our draft environmental impact statement (DEIS) on October 12, 2018. We also received a series of important air permits for our project from the state regulator – the Texas Commission on Environmental Quality (TCEQ) – on December 12, 2018.

Looking ahead, FERC will issue our final EIS on April 26, 2019. We expect a final FERC order in July 2019, prior to making a final investment decision by the end of the third quarter of 2019.

In our corporate presentation, we offer a consolidated timeline that includes various engineering, regulatory, and commercial milestones.

Since I have already touched on the engineering and regulatory processes, I'll just say a brief word about what lies ahead on the immediate horizon in the commercial area.

We plan to announce initial contracts in the first quarter of 2019. Our multiple LNG pricing options, including Brent indexation, have accelerated our commercial marketing. Following our initial contract announcement, we expect to announce contracts to support up to three liquefaction trains over the course of the second and third quarters of 2019.

We plan to make a positive final investment decision on the Rio Grande LNG project by the end of the third quarter of 2019.

With respect to the organic growth potential of our company, we have two additional projects we are advancing at this point:

1. Our Galveston Bay LNG project in Texas City near Galveston; and
2. Our Inisfree FSRU project in Ireland, which involves developing regasification capacity for this high-value, quality market.

So, what does the execution of our strategy mean for NextDecade's stakeholders?

NextDecade is developing two of the largest LNG export facilities in Texas that provide decades of potential revenue generation to shareholders. Together, our Rio Grande and Galveston Bay LNG projects represent total capacity that will make NextDecade the largest LNG exporter in Texas.

Importantly, we offer Permian producers the largest potential natural gas demand centers on the Texas Gulf Coast. And we are leveraging long-term associated gas in Texas, providing both Permian Basin producers and our global LNG customers multiple pricing options – including Brent indexation in large quantities – as a means of capturing significant value over the long term.

In summary, our ability to offer multiple pricing options out of a single facility represents a “win-win-win” for our stakeholders:

1. Producers get long-term gas flow assurance, which allows them to sustain oil drilling programs in the Permian Basin and to gain access to the global LNG market through our large-scale facilities on the Texas Gulf Coast;
2. Our global LNG customers secure superior pricing flexibility – especially through Brent indexation with no destination restrictions or revenue sharing clauses; and
3. Our shareholders – who benefit from our full LNG development portfolio that consists of nine liquefaction trains on the Texas Gulf Coast – gain a differentiated opportunity to participate in Brent-indexed LNG.

Thank you again to S&P Global Platts for hosting us today. I look forward to addressing your questions.

[END OF PREPARED REMARKS]